

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00
INRE-00 CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 CAB-02
COME-00 DOTE-00 FAA-00 SIL-01 LAB-04 OMB-01
TRSE-00 IO-13 /082 W

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O 041532Z AUG 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6835

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E.O. 11652: N/A

TAGS: EGEN, UK

SUBJECT: PAN AMERICAN PAY SETTLEMENT

1. KEN COUZENS, SECOND PERMANENT SECRETARY IN HM TREASURY, CALLED EMBASSY EC MIN TO SAY THAT PAN AMERICAN AIRWAYS APPARENTLY IS ABOUT TO ENTER INTO A PAY AGREEMENT INVOLVING SOME 150 EMPLOYEES AT LONDON AIRPORT WHICH WOULD BE FIRST PUBLIC BREACH OF 12 MONTH RULE. LOCAL IN QUESTION HAD RAISE IN MARCH AND RULE AGAINST INCREASES MORE OFTEN THAN ANNUALLY WAS MAJOR POINT OF STAGE II WAGE RESTRAINT POLICY. WHILE SMALL NUMBER IS INVOLVED PRECEDENT COULD BE SERIOUS; GOVERNMENT ANTICIPATES ENOUGH DIFFICULTY IN HOLDING LINE OF 12 MONTH RULE WITHOUT EARLY BREACH.

2. ANTICIPATED SETTLEMENT RESULTS FROM LOCAL ENGINEERING WORKERS (AUEW) CLAIM, THOUGH AUEW HEADQUARTERS SUPPORTS 12 MONTH RULE. GOVERNMENT HAS APPROACHED AUEW PRESIDENT HUGH SCANLON WHO IS PREPARED TO SEND DIRECTIVE TO LOCAL IF THEY HAVE TIME TO DO SO, I.E. IF COMPANY DOES NOT MAKE SETTLEMENT AN ACCOMPLISHED FACT.

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3. COUZENS SAID CHANCELLOR HEALEY IS CONCERNED AND HAS SENT MESSAGE TO PAN AM CHAIRMAN SEAWELL THROUGH BRITISH CONSUL GENERAL IN NEW YORK. HE UNDERSTANDS LOCAL PAN AM REPRESENTATIVE IS FLYING TO NEW YORK TODAY TO DISCUSS PROBLEM.

4. COUZENS SAID FINALLY THAT HE WANTED US TO KNOW ABOUT SITUATION, THOUGH HE REALIZES WE CANNOT TELL PAN AM WHAT TO DO. HE WELCOMED SUGGESTION THAT WE TALK WITH PAN AM LOCALLY.

5. LOCAL PAN AM MANAGER HAS BEEN IN A MEETING. WE EXPECT TO TALK WITH HIM SHORTLY AND WILL REPORT FURTHER SOONEST.

6. COMMENT: OPEN BREACH NOW OF 12 MONTH POLICY EVEN BY SMALL GROUP WOULD BE SERIOUS BLOW TO GOVERNMENT'S EFFORTS TO AVOID WAGE EXPLOSION AND, WE BELIEVE, WOULD NOT BE GOOD FOR REPUTATION OF PAN AM OR AMERICAN BUSINESS GENERALLY. DEPARTMENT MAY WISH TO DISCUSS WITH PAN AM NEW YORK.

BREWSTER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FINANCIAL AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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SAS ID: 1710352
Secure: OPEN
Status: NATIVE
Subject: PAN AMERICAN PAY SETTLEMENT
TAGS: EGEN, UK, PANAM
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